

SouthWestern Flash

January 6, 2004, Vol 2, No. 1



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Dates to Remember

SouthWestern Association Annual

Conference - Jan. 22-24, 2004,
Adams Mark Hotel, San Antonio,
Texas

2004 Western Farm Show

Feb. 21-23, Am. Royal Complex,
Kansas City, Missouri

Still Time to Register for the SouthWestern Association Conference!

*Space is filling fast, but there is still time to register for the
SouthWestern Association Conference in San Antonio, Texas!*

Welcome to the second annual SouthWestern Association Equipment Dealers' Conference. This year's program is special in many ways. The merger of Southwest Hardware and Implement Association (SWHIA) and Western Retail Implement and Hardware Association (WRIHA) was a little more than a year ago, and the new SouthWestern Association is five states strong. It's an exciting time for all of us.

Together we can help strengthen the industry. Our convention and annual meeting in San Antonio, January 23-24, 2004, will be an opportunity to see old friends and make new ones in the invigorating atmosphere of one of this country's most exciting cities. *We will be meeting at the beautiful Adam's Mark San Antonio Riverwalk.* Plan to be there to start your year learning new concepts and having fun with industry colleagues.

Schedule at a Glance

Friday, January 23, 2004

8:30 – 11:30 a.m.	DIS Training
11:00 a.m.	Registration/Exhibits open
1:00 – 5:00 p.m.	Convention Workshop
6:00 – 8:00 p.m.	Manufacturer's Reception

Saturday, January 24, 2004

6:30 – 8:30 am	Early-Riser Breakfast and Exhibits
8:30 am – Noon	Morning Workshops
Noon – 1:30 pm	Lunch – Association business and annual meeting
2:00 p.m.	Optional Tours
6:00 – 10 p.m.	Dinner – Casino Night /Kids' Event

Group Airline Discount

Southwest Airlines offers up to 10 percent off most fares for air travel to and from the event, with the convenience of Ticketless Travel! To qualify, call Southwest Airlines Group and Meetings Reservations at **800-433-5368** and reference the assigned **I.D. Code: L0305**. Reservations Sales Agents are available 7:00 a.m. – 8:00 p.m. Monday-Friday, or 8:30 a.m. – 5:30 p.m. Saturday and Sunday, Central Standard Time.

Registration Fees

For complete information and a registration form, contact SouthWestern Association at 816-561-5323 or 800-762-5616. Complete information is also available on our web site at www.southwesternassn.com.

SouthWestern Association

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from SouthWestern Association?*

If not, send us your e-mail address.
We will forward important
Association correspondence to your
attention via e-mail. Please register
your e-mail address at:

[www.southwesternassn.com/register-
email.htm](http://www.southwesternassn.com/register-email.htm)

Agriculture Finance Today

Is your business-financing lender a stable, reputable source of capital with the flexibility to reinvent the rules to keep pace with day-to-day industry demands? How do you know you have the right floorplan company partner? What should you expect from a floorplan lender?

Below is a checklist that will help you determine what you should expect from a floorplan company:

- Complete range of programs to help you move and stock product
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 - Rollover Financing
 - Trade-in Financing
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 - Rental Programs
- Seasoned industry professionals who understand the business and your needs
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To inquire about the Agriculture Finance Program; the manufacturer programs available; or to obtain a dealer credit application, please call:

John Clark
Textron Financial Corporation
St. Louis, MO
888-222-3836 x 119
<http://www.textronfinancial.com/ag/>

NFL News

Loan Rates Remain Low

NAEDA Financial Ltd. kicks off the new year by keeping fixed rates on loans the same as they were as of Dec. 31, 2003. Call NFL at 1-888-922-4635 for an up-to-the-minute listing of rates and salesman bonuses.

New Applications

NFL has changed its credit applications to reflect the new policy of not requiring a financial statement on transactions less than \$25,000. If you are still using the old applications, please call NFL at 1-888-922-4635 to get a new supply, or you can print them off the Web site at www.NAEDAfinancial.com. You will need to go to the "Bulletin Archive" section under Dealer Access.

Remember Liability with Leases

When you have a customer who wants to lease, please remember to inform them of NFL's liability insurance requirements. Minimum liability insurance coverage of \$1,000,000 is required on leases with a purchase option of 10 percent or less and the requirement for leases with purchase options exceeding 10 percent is \$2,000,000 liability coverage.

If the customer is aware of the requirements upfront, it will help avoid any delays in funding. Also, if liability insurance is a concern of your customers, keep in mind that if they go with a retail installment contract they can take advantage of the bonus depreciation benefit.

2004 Western Farm Show Set For Feb. 21-23 in Kansas City

In its 43rd year, the Western Farm, sponsored by the SouthWestern Association, features something for everyone involved in agriculture today. The Show is held each year at the American Royal Complex in Kansas City, Mo. It features a wide variety of equipment for large-scale agriculture producers, such as high-horsepower tractors and combines, all the way down in size to equipment designed for the weekend "lifestyle" farmers including compact tractors and mowers. In addition to farm machinery, the Show includes a large selection of livestock handling equipment, seed and fertilizer, outdoor power equipment and virtually everything else today's farmers and ranchers need for agricultural production.

In keeping with a long tradition, they year's Show will include the popular Health and Safety Roundup Area and the Family Living Center. Both of these areas are popular attractions for the entire family. Two seminars on popular topics will be held during the Show: Alternative Fuels and Wind Farming.

More information about the Western Farm Show will be included in a direct mailing to SouthWestern dealer members this week. Future issues of the SouthWestern Flash will also include updated information about the Show.

SPCC Fact Sheet

Spill Prevention Control and Countermeasure (SPCC) Plans were enacted on January 10, 1974 under EPA's Clean Water Act and revised July 17, 2002. The SPCC rules require facilities that store oil to prepare a written plan, train personnel, and conduct periodic inspections. The plan must be certified by a Professional Engineer (P.E.). There has been recent Region 7 activity to make sure facilities have SPCC Plans in place (we have heard 100 in Iowa). RCI offers development of new plans and review of existing plans.

Who must have a plan? Any business that has bulk oil with an aggregate aboveground storage capacity of 1,320 gallons of oil or more per location must have a plan. The key word is "capacity." Regulations apply regardless of whether the tank(s) is full or nearly empty. This regulation does not apply to facilities with underground storage tanks subject to state UST regulations.

What is bulk oil storage? Bulk storage is any container with a capacity of 55 gallons or more.

What's the definition of oil? Oil of any kind or in any form such as crude oil, refined petroleum products, sludge, waste oil, emulsions, grease, synthetic oils, crop oil, vegetable oil, mineral oil, animal fat, and fish oil to name a few.

What is in the plan? There are several elements to a written SPCC plan including:

- Procedures the facility implements to prevent oil spills
- Control measures to prevent a spill from entering a stream, ditch, storm or sanitary sewer, pond, river or wetland
- Countermeasures to contain, cleanup, and mitigate the effects of an oil spill
- Spill predictions
- Facility drainage
- Site security
- Secondary containment or diversionary structures
- Loading/unloading containment for tank cars and tank trucks
- Training and spill briefing

Where is the plan submitted? A written plan must be completed then certified by a Professional Engineer (P.E.). It is not to be submitted to any agency, but rather must be kept on file at each affected location. The plan must be made available to any EPA representative who requests to review the plan.

When is the deadline? The original deadline was January 10, 1974, but there has never been much in the way of enforcement activity - - - until now. Businesses must revise existing SPCC plans by August 17, 2004 to meet new requirements and implement the revisions by February 17, 2005. Businesses handling non-petroleum based oils must prepare and implement SPCC plans by these same dates.

New facilities built after February 17, 2005 must prepare and implement SPCC plans before beginning operation.

Why is it necessary? First, it's the law! Second, it's a way to protect your business by showing EPA the types of oil you have on site, where they are located, how you plan to contain it if it spills, and which way your facility drains. You must show how none of the oil stored on your site will reach U.S. waterways, whether it be a river, stream, ditch, sewer drain, etc. EPA has recently become pro-active on SPCC plans and has made a commitment to make sure businesses are addressing on-site oil storage. Some lines of insurance require a company's SPCC plan to be in place before coverage will be issued.

(See tables on page 5)

If I have secondary containment around all my bulk oil storage, do I still have to have an SPCC plan? YES. That is just one part of your plan.

Do I have to have secondary containment around my bulk storage tanks? YES. The secondary containment must hold the contents of the largest tank plus another 10% for precipitation. If you have double-walled storage tanks no further secondary containment is required.

Do I have to have containment where we load or unload from trucks? YES.

Most likely this will require a secondary containment structure (load pad, dike, curbs, berms, catch basin, etc.). It must be able to hold a maximum capacity of any single tanker compartment. In some circumstances oil sorbent material such as booms, pillows, or granular material may be used as containment.

What kind of training do I give my employees and how often? Training is necessary only for oil-handling employees. Personnel must be instructed on proper operation and maintenance of bulk oil facility to prevent spills and proper response to control, contain and clean up a spill should one occur. Businesses must conduct discharge prevention briefings for oil handling personnel at least once a year to assure adequate understanding of the SPCC Plan.

What kind of inspections are involved? A monthly facility inspection must be conducted to check tanks and dikes. Tank integrity testing must be conducted typically once every 5 to 10 years.

What kind of record keeping is involved? Records of inspections and employee training must be kept on file for 3 years. The plan must always be kept on file at the facility.

How often must the plan be reviewed? The SPCC plan must be reviewed and certified by a P.E. every 5 years.

Cargo Securement Rules Effective January 1, 2004

This rule deals with shifting and falling cargo in commercial motor vehicles. The rule identifies criteria for securing different types of loads. It specifically addresses securing heavy vehicles, equipment and machinery that operate on wheels or tracks. Examples are front-end loaders, bulldozers, tractors, and power shovels that individually weigh 10,000 lbs. or more.

Heavy vehicles, equipment and machinery with crawler tracks or wheels must be restrained against movement in the lateral, forward, rearward and vertical directions using a maximum of four tiedowns.

Each tiedown must be affixed as close to the front and rear of the vehicle as possible or using the closest anchor points on the vehicle that are designed for tiedowns.

Cargo securement devices and systems must be able to withstand the following forces:

1. 0.8g deceleration in the forward direction
2. 0.5 g acceleration in the rearward direction
3. 0.5 g acceleration in the lateral direction
4. A downward force of at least 20 percent of the weight of the article being secured for vertical direction

Cargo securement devices and systems, vehicle systems and anchor points must be in proper working condition without damage or weakness that will affect their performance including reducing the work limit, and must not have cracks or cuts.

Accessory equipment like a hydraulic shovel must be completely lowered and secured to the vehicle.

Articulated vehicles must be secured

so as not to swivel or move while in transit. Chocks, wedges, or cradles must be used for cargo that is likely to roll.

The aggregate working load limit of any securement system used to secure an article or group of articles against movement must be at least 1/2 times the weight of the article(s). The aggregate working load is 1/2 of the working load limit of each connector or attachment mechanism used to secure the load PLUS 1/2 the working load limit for each end section of a tiedown that is attached to an anchor point.

Compliance date is January 1, 2004.

Source: Regulatory Consultants Inc.

Revised Hours of Service Rule Effective January 4, 2004

The FMCSA revises its hours-of-service (HOS) regulations effective January 4, 2004 requiring motor carriers to allow drivers a better opportunity to obtain sleep. The purpose is to reduce accidents involving drivers operating commercial motor vehicles (CMVs) while drowsy, tired or fatigued. The new Hours of Service rule increases driving hours while decreasing on-duty hours. It states:

- Eleven hours of driving time followed by
- Ten consecutive hours off-duty
- No driving beyond the 14th hour after coming on-duty
- On-duty time is 60 hours in seven days or 70 hours in eight days
- Restart the 60/70 clock after 34 consecutive hours off-duty
- Sleeper berth split of 10 consecutive hours off can be split

into two periods, each at least two hours long.

Short-haul drivers are those who report back to their starting location on a daily basis. An exception in the new rule allows a short-haul driver to drive up to the 16th hour after coming on duty once per week. This exception can only be used if driver has not taken the exception within the previous six consecutive days.

Drivers or carriers who violate the hours-of-service rules face serious penalties:

- Drivers may be placed out-of-service (shut down) at roadside until the driver has accumulated enough off-duty time to be back in compliance;
- State and local enforcement officials may assess fines;

- FMCSA may levy civil penalties on driver or carrier, ranging from \$550 to \$11,000 per violation depending on severity;
- The carrier's safety rating can be downgraded for a pattern of violations; and
- Federal criminal penalties can be brought against carriers who knowingly and willfully allow or require hours-of-service violations.

The Federal Motor Carrier Safety Administration estimates the new Hours of Service rule, if followed, will save 75 lives and 1,326 crashes per year by giving drivers an increased incremental amount of time to get rest and sleep.

Source: Regulatory Consultants Inc.

SPCC Examples

Continued from page 3

Examples:	Is an SPCC Plan Needed?
Dealer "A" has 2,000 gallons of refined fuels in above ground storage tanks. In addition, there are ten 55-gallon drums of lube oil in the shop.	Yes, the bulk storage capacity comes to 2,550 exceeding the 1,320-gallon qualifier.
Dealer "B" has a 1,000-gallon fuel tank. The shop located at the facility has a 55-gallon drum of used oil and five 30-gallon drums of motor oils and hydraulic oils.	No, the 30-gallon containers are not bulk storage and the 1,055 gallons of fuel and used oil doesn't meet the 1,320-gallon qualifier.
Dealer "C" has a location with 1,000 gallons of fuel and a second location in the same town with another 1,000 gallons of fuel.	No, the 1,320 gallons qualifier is per contiguous site, not per all business locations.

Legislative Watch

Link to Missouri Legislative Update

www.swassn.com/molegislat.htm

Link to Kansas Legislative Update

www.swassn.com/kslegislat.htm

Link to Texas Legislative Update

www.swassn.com/txlegislat.htm

Link to Oklahoma Legislative Update

www.southwesternassn.com/oklegislat.htm


Link to Arkansas Legislative Update

www.swassn.com/arlegislat.htm

Link to New Mexico Legislative Update

www.swassn.com/nmlegislat.htm

Access the latest state legislative updates by visiting the web-sites listed above.



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